

HEBER CITY CORPORATION
75 North Main Street
Heber City, Utah
Airport Advisory Board Meeting
Wednesday, June 18, 2014

4:00 p.m. / Regular Meeting – Joint Meeting with the City Council

Members Present:	Heidi Franco	Airport Advisory Board
	Kari McFee	Airport Advisory Board
	Mel McQuarrie	Airport Advisory Board
	Ron Phillips	Airport Advisory Board
	Erik Rowland	Airport Advisory Board
Absent:	Jeff Mabbutt	Airport Advisory Board
	Dave Hansen	Airport Advisory Board
City Council Present:	Alan W. McDonald	Mayor
	Jeffery Bradshaw	City Council
Others:	Mark Anderson	City Manager
	Terry Loboschfsky	Airport Manager
	Karen Tozier	Airport Advisory Board Secretary

Others: Alan Campbell, Earl Polenz, Nadim AbuHaidar, Paul Boyer, Paul Schneider, Jeff Findarle, and Dale Stewart.

Chairman McQuarrie convened the meeting at 4:00 p.m. with a quorum present. He indicated the Board was missing two key board members who had been involved with the Lease Rates and Charges Policy and so he was thinking they should possibly take Item 6 off the agenda and schedule a special meeting for this item.

Board Member McFee moved to pull Item 6 off the agenda for today and set up a special meeting to discuss just that item with the City Council and the Airport Board Members. Council Member Franco asked if they could discuss this item briefly; there were some questions that she wanted to ask. Chairman McQuarrie agreed to this. Board Member Phillips seconded the motion. There was discussion on when to schedule this meeting. A Council Work Meeting / joint meeting for the July 17th City Council Meeting at 5:00 p.m. was tentatively scheduled.

Boardmember McFee made an amendment to what is on the table, that we are going to, Item 6 is going to, on the 17th we are going to have a more extensive meeting about Item 6, but we are going to answer some questions for about 10 minutes tonight on Item 6. Board Member Phillips seconded the motion.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried.

Approval of Minutes

March 12, 2014, Regular Minutes

Board Member Phillips moved to approve the minutes. Board Member McFee seconded the motion.
Voting Aye: Board Members Phillips, McFee, and McQuarrie. Voting Nay: none. The motion carried.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried.

Item 1 **Introduction of New Board Members (Ron Phillips, Heidi Franco)**

Ron Phillips and Heidi Franco introduced themselves.

Item 2 **Discuss Airport Board Meeting Dates / Times**

Because there are new board members on the Board there was discussion on the day of the week and/or the week of the month that meetings are regularly held. The time of the meetings was also discussed.

DISCUSSION

New Board Member, Ron Phillips, indicated he would have a conflict with the second Wednesday in the afternoon. He could attend the meetings if the time were either changed to later in the day or to the third or fourth Wednesday every month. Council Member Rowland indicated he thought third Wednesday at the same time would be good; this would be the day before City Council Meeting. The rest of the Board agreed with this.

MOTION

Board Member McFee moved to move our monthly meetings to the third Wednesday at 4:00 p.m. Board Member Phillips seconded the motion.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried.

Karen Tozier was asked to advertise the new annual meeting schedule with this change.

Item 3 **Discuss Changes to the Airport Advisory Board Bylaws and having an Alternate Member on the Airport Board**

Changes the Council had made since the Board had last met were explained. Council Member Franco suggested that an alternate be appointed. The position of alternate was discussed further. It was thought the alternate should attend every meeting they could. The membership requirements should not be any different for an alternate than for the other board members. The question was asked, if a non-voting council member is absent could the alternate sit in their spot if the other members are present? The Board concurred that the alternate should be able to participate and contribute but when taking the place for a non-voting council member; they too would be unable to vote. Council Member Rowland indicated he envisioned the alternate participating, contributing to discussions, just unable to vote if they are not serving as an alternate during that meeting. To the point of them not being present to the meetings, it will defeat that purpose. He suggested not only attendance but also participation from the alternate is desirable; the alternate would be limited to vote only when a spot on the Board is open for them to vote.

Council Member Franco suggested they could recommend to the City Council that under Article 4a we could say an alternate could be appointed and participate as a non-voting member yet can vote on the Board when there is an absence of a voting member.

Mayor McDonald indicated looking at the bylaws that it needed to be determined whether the alternate should be a resident of Heber City or Wasatch County at-large.

MOTION

Board Member McFee moved that in the bylaws for the Advisory Board that we add in there for the alternate opening up an alternate seat, an at-large seat so it can either be a Heber City resident or a Wasatch County resident and that individual will attend every meeting and fill in a voting slot or a non-voting slot. Board Member Phillips seconded the motion.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried.

Changes to Article 6 regarding how many members constituted a quorum and how many votes were necessary for a motion to carry were discussed. This article conflicted with the new makeup of the Board.

Board Member McFee moved that in Article 6, Letter C that we send, that we change it from, it is at four right now, change it down to three and send that recommendation to the City Council to approve; yes, Number 1 under C; Article 6, Letter C, and then Number 1 under Letter C also change it from four to three. Board Member Phillips seconded the motion.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried.

Item 4 **Airport Manager Report**

Terry Loboschefsky reviewed information from his report. A pre-bid meeting was held June 17th.

DISCUSSION

- What is 2nd tier discretionary funds?
- FAA Funding;
- The FAA inspection of the AWOS has been completed, a new radio may be needed because this one is deteriorating;
- Procedures and flight patterns determined for helicopters to mitigate noise complaints;
- Staff to place a noise complaint form on the city's website; can complaints be matched up to flight plans to know which plane it is?
- Loboschefsky is getting to one to two calls a week on people wanting hangars
 - What size hangars are these people asking for?
 - What type of planes are they flying?
 - Obtaining information from the calls is helpful to determine marketing decisions;
 - Paul Boyer asked some questions and discussion followed regarding non-city owned hangars and applicable policy.
- The EEA will give free rides to local kids this weekend, 45 rides have been arranged.

Item 5 **Runway /Apron Project Update**

REQUEST

The runway/apron project is now being advertised for bid. A pre-bid meeting was held at 11:00 a.m. on Tuesday, June 17th at the Airport. Before the FAA will award the grant, bids have to be received. Bids are due at 11:00 a.m. on Wednesday, June 25th. It is expected that construction will commence in the spring of 2015.

DISCUSSION

The Airport Advisory Board discussed the following points:

- The closure period of 30 days was discussed at length. Airport users and the FBO expressed concerns.
- Nadim AbuHaidar thought the engineers should be pressed for an option. He preferred a seven day closure to a 30 day closure. Anderson indicated this question could be posed. Possibly a two week period instead of a 30 day period was plausible.
- Will the FAA allow incentives for early completion?
- Will any provisions be made for displacement of businesses or aircraft users?

- Timing of the project. If reduced to two weeks could it be done in fall? Nadim AbuHaidar thought the first week of October would be the earliest without significant impact.

Jeff Findarle asked if they could use the shorter runway during this term; would the FAA allow this?

Paul Schneider asked some questions on the location of the project and whether a seal coat would be used.

Item 6 **Discuss Airport Lease Rates and Charges Policy (Reversionary vs. Non-Reversionary)**

As Council Member Franco was new to the Airport Advisory Board the Airport Lease Rates and Charges Policy was briefly discussed. After looking at various subsections of Section 5, Council Member Franco thought there were some statements that needed to be added. She advocated clarity in the document and asked for this to be as clear as possible.

Paul Boyer asked a question. If an individual owned more than one hangar and the owner made improvements to one of the hangars, could the extension be applied to the other hangar? Chairman McQuarrie indicated he thought that this scenario should be addressed in the document. Nadim AbuHaidar indicated the reason for the document was to make things less ambiguous.

Mark Anderson asked the Board for feedback on the spreadsheets regarding modifications to the cash flow on the two different lease types. If they had any changes then they should let him know for the next meeting. Chairman McQuarrie indicated that the one comment that he had was they were assuming today's lease rate. There is not an assumption on the non-reversionary; that we could lease that hangar today for more than the rate that it is being written to others. As an example he cited that he was paying approximately \$.35 a square foot, if the going rate is \$.45 a square foot then that number needs to be plugged. This would change the present value. He also indicated he did not see anything for insurance and liability or for maintenance on the City side after 30 years. He thought a rate should be charged that is high enough for non-reversionary; this should be competitive with the current market rates. He also thought that when improvements have been made to a hangar there needs to be a way to account for one-year extensions.

Item 7 **Review Request from OK3AIR-AIR for an extension of the FBO Lease:**

Nadim AbuHaidair of OK3AIR, which is the Fixed Based Operator (FBO) at the Airport, presented his request. He explained history on past improvements the FBO has made and referenced the most recent changes to the FBO lease; that in 2012 a seven-year term extension had been granted for the FBO lease and that the FBO had agreed to an increase in fuel flowage fees to the City from \$.03 to \$.05 per gallon. He also indicated that the present leasehold does not adequately represent the operating area of the FBO. Areas that are currently being used by the FBO that are not reflected in the leasehold are the approach to the customer reception area immediately in front of Hangar E, the ramp area in front of Hangar A maintenance operation, and several of the adjacent tie downs on the ramp. He has had the lease resurveyed to include area that is not reflected in the lease. He indicated they would like to clean up the lease, marry the various leasehold components in terms of expiration dates, and clean up the ramp. The present leasehold is shown at 8.11 acres and the proposed expansion would revise that figure to 10.72 acres. A number of questions were asked which AbuHaidair answered.

In reference to the 2.61 acres not currently in the FBO's leasehold, Board Member Phillips asked if not using his services will individuals not be allowed to go into this area any longer once this area is in his leasehold? AbuHaidair answered they can not disallow usage of the ramp space, they are obligated to have

it open; he cannot discriminate. The FBO is already operating in this area, the reason it is not in the lease is it was written up years ago.

Board Member Phillips asked whether the per square feet fee will increase when the FBO takes over this lease? It was indicated that this will be open to negotiation.

Discussion on how to proceed with respect to the current status of the Lease Rates and Charges Policy. The Lease Rates and Charges Policy Document has not yet been approved by the City Council. It was noted by Chairman McQuarrie that the FBO may be in a different category. AbuHaidair suggested to do what was done a number of years ago which was to have a committee look at the issue in detail and make a recommendation to the Airport Advisory Board.

Anderson referenced his staff report indicating the Board should evaluate the area at the Airport in respect to the advantages and disadvantages of extending the lease, whether the leasehold area should be expanded or reduced based on current plan uses, whether the City should consider providing public ramp area, determination of what a fair leasehold should be if the lease were extended and what consideration should be given for past investments made by the FBO. He indicated that fair market value should be established and that other FBO lease rates on a per square footage basis should be looked at as well.

Councilmember Franco asked for the expiration date of the extended lease, which was established as January 8, 2032. AbuHaidair is asking for extension to 2041 consistent with his Hangar E expiration date. Councilmember Franco asked for a copy of the Hangar E lease for comparison. Discussion to put this on a future agenda.

MOTION

Board Member McFee moved to table this to a future meeting. Board Member Phillips seconded the motion.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried.

Item 8 Reports on City Council Actions:

The status of the Worldwide Warbirds SASO Agreement was noted.

Board Member Phillips asked to comment. He explained that this was kind of a minority comment and indicated from what he'd heard today the Board has made a recommendation to the Council to go with non-reversionary leases. He explained that he has a different opinion, he feels that that they as a Board and the City Council represent the public interest and the interest of the City-the interest of the ownership of the Airport and he believes that for the benefit of the City Council members present that reversionary leases are in the best public interest of the Airport both from a financial point-of-view and from an Airport/City control point-of-view for whatever may happen in the future where hangars may need to be moved or removed for whatever reason.

A suggestion was made to have the Board visit the Airport and look at the apron lease area and to walk the area. Historically there have been meetings held periodically at the field. Nadim AbuHaidar indicated he could host the meeting; the meeting would be held July 16th.

Board Member McFee moved to dismiss the meeting. Board Member Phillips seconded the motion.

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion carried and the meeting adjourned at 6:06 p.m.